

Testimony  
of  
**THE UNITED ILLUMINATING COMPANY**  
Before  
**THE FINANCE, REVENUE and BONDING COMMITTEE**  
Re  
**RAISED SENATE BILL 1157**  
**AN ACT CONCERNING THE RESTORATION OF THE ENERGY**  
**CONSERVATION AND LOAD MANAGEMENT FUND**  
**LEGISLATIVE OFFICE BUILDING**  
**HARTFORD, CT**  
**March 21, 2011**

Good Afternoon, Senator Daily, Representative Widlitz and members of the Finance Revenue and Bonding Committee. My name is Patrick McDonnell and I am the Director of Conservation and Load Management for The United Illuminating Company ("UI"). I am here today to testify on **Raised SENATE Bill 1157 – AN ACT CONCERNING THE RESTORATION OF THE ENERGY CONSERVATION AND LOAD MANAGEMENT FUND**

As you are all aware, the issuance of economic recovery revenue bonds was authorized during last year's legislative session. The proceeds of these bonds are to be used to close the budget gap for the current fiscal year. The proceeds of the bonds go to the general fund, while the repayment obligation is placed with the customers of the electric distribution companies. The collateral for the bonds comes partially from a fixed amount of funds from the Energy Conservation and Load Management (CLM) Fund , with the balance coming from a re-direction of the expiring Competitive Transition Assessment charge (CTA) for both Connecticut Light & Power (CL&P) and The United Illuminating Company (UI). The significant funds appropriated from the CLM Fund, mean a significant reduction of funds available for energy conservation projects. This Bill would allow the taking of the CLM funds to be reduced if possible.

UI has a long history of delivering high quality energy efficiency programs for the benefit of our customers. We know full well that every dollar invested in energy efficiency provides a return on that investment for customers. The reduction of the CLM Fund was unfortunate, but even more unfortunate was the language that was inflexible in that taking. This Bill allows for greater flexibility, and will allow some of those funds to be restored to their intended purpose. The changes proposed by SB 1157 would make more funds available to lower customers' electric bills, decrease our dependence on foreign oil, improve our environment and help put Connecticut residents back to work in the green economy.

For these reasons The United illuminating Company supports Senate Bill 1157 and urges your passage. Thank you for your consideration of this matter, I would be happy to answer any questions you may have.